

SEND TAX STATEMENTS TO:
Unchanged

Vol M01 Page 9459

AFTER RECORDING, RETURN TO:

Evans, Freeby & Jennings, LLP
280 Court St. NE, Suite One
Salem, OR 97301

The true and actual consideration for this transfer and extension of the maturity date and other good and valuable consideration.

The debt secured by the Commercial Deed of Trust is due and payable on or before November 1, 2001

MEMORANDUM OF MODIFICATION AGREEMENT

LINE OF CREDIT INSTRUMENT

This Line of Credit Instrument secures amounts which have been or will be advanced to Grantor pursuant to the terms of a Note dated February 24, 1999. The maximum principal amount to be advanced to Grantor pursuant to the Note is \$2,875,000.00. The Note will mature on November 1, 2001, but may be renewed or extended. The maximum principal amount to be advanced may be exceeded by advances to complete construction, pursuant to ORS 86.155(2)(c), if applicable

DATE: February 28, 2001

PARTIES: KEYBANK NATIONAL ASSOCIATION, "Lender/Beneficiary"
C-3 INVESTMENTS, INC., an Oregon corporation, "Borrower/Grantor"

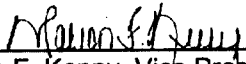
THIS MEMORANDUM gives notice of a Modification Agreement of even date herewith entered into between Lender and Borrower, including the terms and provisions thereof ("Agreement"). The Agreement modifies various loan documents entered into between Lender and Borrower, including a Commercial Deed of Trust and Security Agreement with Assignment of Rents dated February 24, 1999, recorded February 26, 1999, in Book M-99, Page 6879, Recorder's Fee No. 75344, in Klamath County.

Pursuant to the Agreement, this Trust Deed was and is amended as follows:

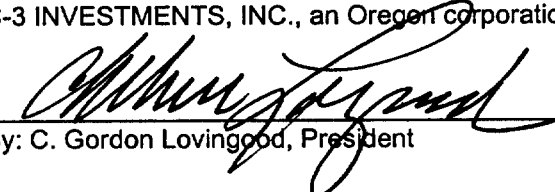
1. The Maturity Date of the debt secured by the Commercial Deed of Trust is extended to November 1, 2001.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

LENDER
KEYBANK NATIONAL ASSOCIATION


By: Marion F. Kenny, Vice President

BORROWER
C-3 INVESTMENTS, INC., an Oregon corporation

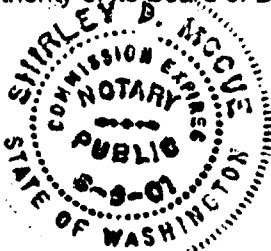

By: C. Gordon Lovingood, President

STATE OF WASHINGTON)

) ss.

County of Pierce)

Personally appeared the above named Marion F. Kenny, Vice President of KeyBank National Association, and acknowledged on this 28th day of February, 2001, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to be her voluntary act and deed.



Shirley D. McCue Shirley D. McCue
Notary Public in and for the State of Wash.
My Commission Expires: June 9, 2001
Residing at Tacoma

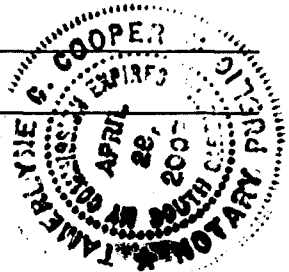
STATE OF South Carolina)

) ss.

County of Charleston)

Personally appeared the above named C. Gordon Lovingood, President of C-3 Investments, Inc., and acknowledged on this 28th day of February, 2001, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to be his voluntary act and deed.

Yamalye C. Cooper
Notary Public

My Commission Expires: 4-28-2007

2.2.1 12:11
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LEGAL DESCRIPTION

Two (2) tracts of land located in the Northeast one-quarter of Section 4, Township 39 South, Range 9 East, of the Willamette Meridian, more particularly described as follows: Lots 8 through 27, and portions of Lots 28 through 40, Block 4, SIXTH STREET ADDITION TO THE CITY OF KLAMATH FALLS and a portion of Lot 802, ENTERPRISE TRACTS, in the County of Klamath, State of Oregon, more particularly described as follows:

TRACT 1:

Beginning at a 5/8 inch iron rod with a plastic cap marked TRUELINE SURVEYING, INC. at the Northwest corner of said Lot 8; thence South 55°50'00" East, a distance of 499.71 feet along the southwesterly right-of-way line of Pershing Way to a railroad spike set at the intersection of the southwesterly right-of-way line of Pershing Way and the westerly right-of-way line of Washburn Way; thence South 00°00'00" East, a distance of 120.86 feet along the westerly right-of-way line of Washburn Way to a railroad spike set at the intersection the westerly right-of-way of Washburn Way and the northeasterly right-of-way line of a Public alley in said Block 4; thence North 55°50'00" West, a distance of 567.59 feet along the northeasterly right-of-way line of said Public alley to a 5/8 inch iron rod with a plastic cap marked TRUELINE SURVEYING, INC. at the Southwest corner of said Lot 8; thence North 34°10'00" East, a distance of 100.00 feet to the point of beginning of Tract 1, containing 53,365 square feet, 1.2251 acres.

TRACT 2:

Beginning at a 5/8" iron rod with a plastic cap marked TRUELINE SURVEYING, INC. that bears North 55°50'00" West a distance of 6.25 feet from the Northwest corner of Lot 39; thence South 55°50'00" East, a distance of 397.27 feet along the southwesterly right-of-way of a Public alley in said Block 4 to a railroad spike set at the intersection of the southwesterly right-of-way line of said Public alley and the westerly right-of-way of Washburn Way; thence South 00°00'00" East, a distance of 58.34 feet along the westerly right-of-way line of Washburn Way to a railroad spike; thence southwesterly a distance of 24.26 feet along the arc of a 12.00 foot radius curve right through a central angle of 115°51'00" (the long chord of which bears South 57°55'30" West, a distance of 20.34 feet) to a 5/8 inch iron rod with a plastic cap marked TRUELINE SURVEYING, INC.; thence North 64°09'00" West, a distance of 150.73 feet along the northeasterly right-of-way line of South Sixth Street to a P-K Nail; thence northwesterly a distance of 11.61 feet along the arc of a 80.00 foot radius curve right through a central angle of 08°19'00" (the long chord of which bears North 59°59'30" West, a distance of 11.60 feet) to a P-K Nail; thence North 55°50'00" West, a distance of 261.12 feet continuing along said Northeasterly right-of-way line to a 5/8 inch iron rod with a plastic cap marked TRUELINE SURVEYING, INC. that bears North 55°50'00" West, a distance of 6.25 feet from the Southwest corner of Lot 39, Block 4; thence leaving said northeasterly right-of-way line, North 34°10'00" East, a distance of 89.53 feet at right angles to the centerline of South Sixth Street to the point of beginning of TRACT 2, containing 35,773 square feet, 0.8212 acres.

State of Oregon, County of Klamath

Recorded 03/09/01, at 10:25 a.m.

In Vol. M01 Page 9459

Linda Smith,

County Clerk Fee \$ 31.00

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of ASPEN TITLE & ESCROW

of FEB A.D., 1999 at 2:09 o'clock P M., and duly recorded in Vol. M99

of MORTGAGES on Page 6879

FEE \$140.00

INDEXED

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by

Rathburn

